



*United States Attorney
District of New Jersey*

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**FORMER MORTGAGE BROKER AND BANK OFFICER SENTENCED TO ONE
YEAR IN PRISON FOR CONSPIRING TO DEFRAUD BANK IN CONNECTION WITH
\$1.48 MILLION LOAN**

TRENTON, N.J. – A former mortgage broker and bank officer was sentenced today to 12 months in prison for his role in conspiring to commit bank fraud in order to secure a \$1.48 million residential real estate loan, U.S. Attorney Paul J. Fishman announced.

James Cockinos, 58, of Englewood Cliffs, N.J., previously pleaded guilty before U.S. District Judge Freda L. Wolfson to an information charging him with one count of conspiracy to commit bank fraud. Cockinos defrauded Washington Mutual Bank (later acquired by JPMorgan Chase) in New York, for the purpose of securing a \$1.48 million residential loan. Judge Wolfson imposed the sentence today in Trenton federal court.

According to documents filed in this case and statements made in court:

Cockinos was the owner/president of Federated Mortgage Company of America (FMCA). He was also a member of the Board of Directors at Mariner's Bank. Cockinos, through FMCA, served as the mortgage broker on a residential loan with Washington Mutual Bank, F.A., in an application dated April 19, 2007. The borrower, identified as Individual Two in the complaint, applied for the loan at the request of a spouse identified as Individual One in the complaint. There was no co-borrower on the loan.

The loan was for the purpose of purchasing for \$1.9 million a property located in Englewood Cliffs. Cockinos was responsible for obtaining certain information from Individual Two for purposes of completing the loan application. At the time that Individual Two signed the loan application, Individual Two did not review the contents of the application, which included information regarding the purpose of the property and Individual Two's employment, income, and assets.

The application contained false statements concerning Individuals Two's employment, income and assets. Cockinos also indicated in the application that he obtained the information from Individual Two through a face-to-face interview, when in fact, no such interview took place.

The application indicated that Individual Two had \$400,000 in a joint checking account at Mariner's Bank in New Jersey, when, in fact, Cockinos and Individual One caused \$350,000 to be temporarily deposited into the joint account for the purpose of misrepresenting that amount as Individual Two's assets. Cockinos also directed a Mariner's Bank employee to falsely verify that there was \$350,000 in the joint account for the prior two months, when in fact, there were significantly less funds in the account over the prior two months.

Washington Mutual ultimately approved a loan of \$1.48 million and wired the loan amount to Individual Two's closing attorney on June 17, 2007. On Sept. 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual Bank. Between Nov. 2, 2010 and Jan. 10, 2011, Individual Two defaulted on the loan. JP Morgan initiated foreclosure proceedings. The Englewood Cliffs property was sold on March 16, 2012, leaving JPMorgan Chase with a loss of more than \$500,000 on the defaulted loan.

In addition to the prison term, Judge Wolfson sentenced Cockinos to two years of supervised release, fined him \$5,000 and ordered him to pay \$513,882 in restitution.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Aaron T. Ford in Newark; special agents of the Federal Deposit Insurance Corporation., Office of Inspector General, New York Region, under the direction of Special Agent in Charge A. Derek Evans; and criminal investigators from the U.S. Attorney's Office in Newark, with the investigation leading to today's sentence.

The government is represented by Assistant U.S. Attorney Zahid N. Quraishi of the U.S. Attorney's Office Special Prosecutions Division in Newark.

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Defense counsel: Edward J. Plaza Esq., Red Bank, N.J.